

Message Text

CONFIDENTIAL

PAGE 01 STATE 140977
ORIGIN NEA-11

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /127 R

DRAFTED BY NEA/ARP:D M WINN:LB
APPROVED BY NEA:W R CRAWFORD
NEA/ARP:J W TWINAM
NEA/IRN:M JOHNSON
-----067203 032200Z /62

R 030216Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN
INFO AMEMBASSY ABU DHABI

C O N F I D E N T I A L STATE 140977

E.O. 11652: GDS

TAGS: ENRG, EINV, IR, TC

SUBJECT: TAX AND ROYALTY PROBLEM FOR CRESCENT PETROLEUM

REFERENCES: (A) STATE 122746, (B) ABU DHABI 1470, (C) ABU
DHABI 1490, (D) STATE 131266

1. ELY OF CRESCENT HAS INFORMED DEPARTMENT THAT ALTHOUGH
COMPANY HAS DRAFTED LETTER TO INTERNATIONAL COURT OF JUSTICE
REQUESTING IT TO APPOINT ARBITRATOR (SINCE, AS EXPECTED,
RULER OF SHARJAH DID NOT NOMINATE AN ARBITRATOR BY DEADLINE
DATE OF MAY 28), CRESCENT HAS DECIDED TO DELAY SENDING
LETTER FOR ONE WEEK (I.E., UNTIL APPROXIMATELY FRIDAY,
JUNE 9). ELY SAID CRESCENT HAS DELAYED BECAUSE OF
INDICATIONS FROM CRESCENT MANAGING DIRECTOR HAMAD JAFAR
THAT RULER REMAINS UNCERTAIN AS TO WHAT COURSE OF ACTION
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 140977

TO TAKE, AND OUT OF DESIRE TO GIVE IRANIANS AS MUCH TIME
AS POSSIBLE BEFORE TAKING FURTHER ACTION.

2. INSTRUCTIONS TO TEHRAN CONTAINED REF A NOTED THAT IN
RAISING MATTER WITH GOI AT APPROPRIATE POLITICAL LEVEL,
EMBASSY SHOULD POINT OUT THAT USG TAKES NO POSITION ON
MERITS OF FINANCIAL QUESTION IN DISPUTE. SHARJAH'S REJEC-

TION OF PRINCIPLE OF ARBITRATION IS, HOWEVER, MATTER OF
CONCERN TO USG, IN THAT U.S. MUST SUPPORT PRINCIPLE OF

ADHERENCE BY BOTH PARTIES TO TERMS OF CONTRACT THEY FREELY
ENTERED INTO. AS PARTY CONCERNED WITH STABILITY OF GULF,
WE ALSO DEPLORE POSSIBLE RENEWAL OF AREA SUSPICIONS
SHOULD SITUATION RESULT IN WHICH SHARJAH CONCESSIONAIRE
CEASES TO OPERATE OILFIELD. REQUEST EMBASSY APPROACH
GOI IN TIMELY FASHION AS PER REF A TO HELP PRESERVE
POSSIBILITY FOR AMICABLE SETTLEMENT AND REPORT SOONEST.
CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE140977
Document Source: CORE
Document Unique ID: 00
Drafter: D M WINN:LB
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780233-0357
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780699/aaaadham.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2b43be92-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 122746, 78 ABU DHABI 1470, 78 ABU DHABI 978
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2499598
Secure: OPEN
Status: NATIVE
Subject: TAX AND ROYALTY PROBLEM FOR CRESCENT PETROLEUM
TAGS: ENRG, EINV, IR, TC, CRESCENT PETROLEUM
To: TEHRAN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2b43be92-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014